**Prop 1 Round 2 Disadvantaged Community/Economically Distressed Area Justification**

**Project:** Project Name

**Project Applicant**: Applicant Agency/Organization Name

**Disadvantaged Community/Economically Distressed Area Justification:**

*When writing this justification, please review the guidance compiled from the IRWM PSP and Guidelines below for Disadvantaged Communities and Economically Distressed Areas, found below.*

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# Prop 1 Round 2 IRWM Information for Disadvantaged Communities Justification

DWR strongly recommends that applicants consult Appendix E (below) of the 2022 Guidelines to determine if the project benefit area includes a DAC. DACs should be defined using the most recent Median Household Income (MHI) data available. The project benefit area (by population or geographic area) is determined by the area receiving the primary benefit from the project, not by the physical location of the project. The primary benefit must be a quantified direct benefit of the project. Applicants should ensure the description of the DAC is adequate for DWR to determine whether the communities meet the definition of a DAC.

Applicants must provide the following information for each project claiming benefits to a DAC:

* Percentage of the project’s primary water-related benefit (by population or geographic area) provided directly to a DAC.
* Information that supports that the project benefits a DAC(s), such as a map or shapefile that shows the project benefit area and the location of the DAC(s) receiving the benefit.
* Information supporting that the community is a DAC such as the average MHI. Where the lack of representative census data that adequately represents the community can be documented, alternative studies (local income surveys, a subset of a block group, older American Community Survey (ACS) data, etc.) may be submitted in the Attachment 5. Include justification for the use of alternate data.
* To determine the MHI for DACs, applicants may use a single type of census geography or combinations of census geographies that best represent the DAC.

For the applicants with GIS capability, the GIS data files used within the DAC mapping tool are available to download and use; see the link provided in Foreword. These GIS files will allow applicants to combine project area shape files with DAC data layers. This will help applicants show the extent of overlap or project areas with DACs.

Please note that the American Community Survey (ACS) of the U. S. Census provides a dataset than can be used as a source to estimate a community’s MHI. The most recent and comprehensive data available for this solicitation is for the 5-year period of 2012-2016. The ACS data gives estimates of MHI for different census geographies, such as for states, counties, census places (incorporated cities and unincorporated towns), census tracts, and census block groups. For additional information on the ACS or other methods for determining MHI, see the link listed in Proposition 1 IRWM Guidelines, Appendix A.

**Information from Appendix E of the IRWM Guidelines**

Proposition 1 allows for the continued use of the Disadvantaged Community (DAC) definition as set forth in Water Code §79505.5(a). “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

The American Community Survey (ACS) of the U. S. Census provides a dataset than can be used as a source to estimate a community’s Median Household Income (MHI). At the time of publication of these guidelines the most recent and most comprehensive data available is for the 5-year period of 2012-2016. The data for the 5-year period of 2016-2020 is expected to be available before the application deadlines. For this reason, the applicant may utilize either data set. The ACS data estimates MHI for different census geographies, such as for states, counties, census places (incorporated cities and unincorporated towns), census tracts, and census block groups. ACS data is updated on a regular basis. For the most current data and maximum allowable MHI to qualify as a DAC at the time of application for any specific grant program, see the individual grant program PSP. For additional information on the ACS see the link listed in Appendix A.

DWR has developed a tool which utilizes the most current ACS data to show the location and boundaries of DACs in the State, at the census place, tract, block group level, and other information. The tool allows users to view different geographies or combinations of geographies, using different base maps and to zoom in to various scales. For individuals with GIS capabilities GIS files representing the ACS data (and DAC status) for the three census geographies can also be found at the DAC mapping tool website. The DAC mapping tool can be found at the following link: <https://gis.water.ca.gov/app/dacs/>

DWR will update the MHI values and the DAC mapping tool as updated ACS datasets become available. Therefore, potential applicants should check the relevant PSP and DAC mapping tool website prior to submitting a grant application to verify that current information is being used.

The applicant may use ACS data at the census place, census tract, or census block group geography levels to show whether a project serves a DAC, based on what geography is the most representative for that community. For DACs, the allowable alternative geographies are, respectively:

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If a project serves a DAC and is divided among several contiguous census tracts or block groups, and some of the project area tracts or block groups do not meet the DAC criterion, the project will be considered a DAC project for the purpose of waiving local cost share requirements based on proportionality. For some projects, it may be more appropriate to use the proportion of the population served, the project cost, or geographic area served as the basis for proportioning the project into DAC/non-DAC segments.

In cases where the most current ACS 5-year survey data do not support a community as a DAC, DWR will consider use of other data that show the community is a DAC. For example, income survey data may be used to support the MHI of the project benefit area. In these instances, please contact DWR at the phone number or email listed in the Foreword for assistance on how alternate data may be used to determine whether a community is a DAC.

# Prop 1 Round 2 IRWM Guidelines Information for Economically Distressed Areas Justification

DWR strongly recommends that applicants consult Guidelines, Appendix F (below) to determine if the project benefit area includes an EDA. Applicants should ensure the description of the EDA is adequate for DWR to determine whether the community meets the definition. Applicants must provide the following information for each project claiming benefits to an EDA(s):

* Percentage of the project’s primary water related benefit (by population or geography) provided directly to an EDA.
* Include information that supports the project benefits an EDA(s), such as a map or shapefile that shows the project benefit area and the location of the EDA(s) receiving the benefit.
* Where the lack of representative census data that adequately represents the community can be documented, alternative studies (local income surveys, a subset of a block group, etc.) may be substituted in Attachment 5.
* In determining the MHI for EDAs, applicants may use a single type of census geography or combinations of census geographies that best represent the EDA.

For the applicants with GIS capability, the GIS data files used within the EDA mapping tool are available to download and use; see the link provided in the Foreword. These GIS files will allow applicants to combine project area shape files with EDA data layers. This will help applicants show the extent of overlap or project areas with EDA.

**Information from Appendix F of the IRWM Guidelines**

Proposition 1 includes a definition for an EDA. The EDA definition attempts to capture disadvantaged communities that have a state median household income between 80 and 85 percent of the statewide annual MHI. While EDA definition is similar to the DAC definition in utilizing state MHI as a determining factor, the EDA definition also includes other factors such as financial hardship, unemployment and population density.

DWR developed the Economically Distressed Area Instructions and Mapping Tool to assist potential applicants in determining whether the project is located in or benefits an EDA. The Instructions provide guidance on defining the relevant terms contained in the EDA definition and the current comprehensive data available for evaluating those terms; the Mapping Tool provides a user-friendly means to assess whether the area in question is an EDA.

The EDA Mapping Tool presents the different levels of geography, which include counties, census places (incorporated cities and unincorporated towns), census tracts, and census block groups and can be found at the following link: <https://gis.water.ca.gov/app/edas/>

The applicant may use data at the different geography levels to show whether a project serves an EDA, based on what geography is the most representative for the project location/benefit area. GIS files representing the data and EDA status for the provided geographies are also provided at the above- referenced link.

In cases where the outlined data do not adequately portray the project benefit area (such as when the census geography and the project area do not match), DWR will consider use of other data that demonstrates EDA status. For example, income survey data may be used to support the MHI of the project benefit area. In these instances, please contact DWR at the phone number or email listed in the Forward on how alternate data may be used to demonstrate whether a project benefit area is an EDA.